

**State of Idaho**  
**Water Pollution Control State Revolving Fund**  
**State Fiscal Year 2009**  
**Intended Use Plan**

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## **IDAHO REVOLVING FUND**

### **INTENDED USE PLAN**

#### **April 24, 2008 BOARD PROPOSAL**

##### **I. Introduction**

The State of Idaho, Department of Environmental Quality (DEQ) proposes to adopt the following Intended Use Plan (IUP) for the State fiscal year 2009 (July 1, 2008 through June 30, 2009) as required under Section 606c of the Clean Water Act.

The primary purpose of the IUP is to identify the proposed annual intended use of the funds available in Idaho's Water Pollution Control Loan Account. Projects on the Priority List, from which this IUP was derived, have been reviewed by the public in accordance with Idaho's Administrative Procedures Act (Idaho Code Title 67, Chapter 52) and are proposed for approval by the State Board of Environmental Quality.

The IUP includes the following:

- lists of prospective loan projects including payment schedules for those most likely to qualify for a loan;
- long-term and short-term goals;
- assurances and specific proposals;
- criteria and methods for distribution of funds; and
- attachments relevant to the above.

Available funding for projects during the State fiscal year 2009 is estimated to be \$40,459,297 as documented in the worksheet on the following page. This methodology of estimating funding should continue to accelerate the pace of drawing down the cash balance of the fund by recognizing revenues out two (2) years and obligating against those revenues. In the past revenues were only recognized for one (1) year in advance.

**Resources:**

**Cash on Hand 3/1/08** \$64,176,761

**Est. EPA Capitalization Grant FFY2009** 5,000,000

**Est. State Match** 1,000,000

**EPA Capitalization Grant FFY2008** 3,143,328

**State Match** 654,860

**Loans Receivable:**

**SFY 2008 (3/1/08-6/30/08)** 2,306,792

**SFY 2009** 7,281,435

**SFY 2010** 9,209,030

**SFY 2011 (7/1/10-8/31/10)** 1,656,759

**Income on Cash and Investments:**

**SFY 2008 (3/1/08-6/30/08)** 998,681

**SFY 2009** 2,549,430

**SFY 2010** 2,641,230

**SFY 2011 (7/1/10-8/31/10)** 440,205

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**Total Resources:** \$101,058,511

**Current Remaining Loan Obligations:** (\$63,420,225)

(Loans in construction less disbursements)

Add back: 4 percent project shrinkage 2,821,011

(Some projects will self-finance and  
reduce disbursement requests from  
the Water Quality SRF)

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**Net Remaining Loan Obligations:** (60,599,214)

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**NET RESOURCES AVAILABLE TO LOAN** **\$40,459,297**

**Key Assumptions:**

Projects take thirty (30) months to construct and close from date of loan signing. We will use the **Total Resources** amount for the next twenty-seven (27) months to facilitate a conservative cashflow analysis. New loan obligations cannot exceed **NET RESOURCES AVAILABLE TO LOAN**. Our next projection will be made on 7/1/08 or when loans signed from this projection forward exceed the **NET RESOURCES AVAILABLE TO LOAN** amount, whichever event comes first.

## **Loan Fees**

To offset declining federal support for the administrative costs associated with operating the Water Quality SRF loan program, a fee program has been instituted. For state fiscal years 2008 and 2009 the fee will be one (1) % of the unpaid balance of the loan, payable when the regular loan repayments are made. Interest rates on loans with fees decrease to match the fee charged, so that there is no net effect on borrowers. Fees are only being charged on new loans or on projects in-progress, for which a loan offer amendment is required (for purposes other than adding the fee). It is anticipated that once an adequate reserve has been established the fee may be reduced and the loan interest rate increased (again, the net effect on borrowers being zero).

For state fiscal year 2008 the expected fee revenue is \$285,000 and for state fiscal year 2009 the expected fee revenue is \$380,000. Fee revenues will likely be used to fund state fiscal year 2009 Water Quality SRF administrative and technical support costs incurred beyond the Federal fiscal year 2008 Capitalization Grant support level of \$130,984 and unspent Federal fiscal year 2007 funds.

## **II. List of Projects**

Attachment I, List of Fundable Projects, contains the projects expected to be funded that were selected from the State fiscal year 2009 Water Quality SRF project Priority List which is Attachment II. Projects are arranged on the list in priority order. Both project lists were widely disseminated for public comment (through major newspapers and via the Internet).

The first use requirement of the Act [Section 602(b)(5)], relating to National Municipal Policy (NMP) does not apply in Idaho since all NMP needs have been met with separate funds in the form of state and federal grants and separate state loans in Federal fiscal year 1989.

## **III. Long-and Short-Term Goals**

DEQ's long-term goals are to:

1. Protect public health and the waters of the state by offering financial assistance for the construction of wastewater treatment facilities.
2. Assist local communities as they strive to achieve and maintain statewide compliance with federal and state water quality standards.
3. Administer Idaho's Water Pollution Control Loan Account to ensure its financial integrity, viability and revolving nature in perpetuity.

DEQ's short-term goals are to:

1. Perform all necessary tasks to assure that all loan assistance requested from Federal fiscal year 2008 funding is provided for projects on the list in a timely manner.
2. Provide funding for the non-point source projects when they are identified in Attachment

- I. A major component of this goal will be an improved marketing effort directed at potential sponsors of non-point source projects. Pursue Rule changes to allow for loans to individuals, and to clarify the distinction between nonpoint source and point source projects.
3. Ensure clear tracking of fee revenue and develop clear rules, policies and procedures related to a maturing fee structure. Pursue Rule changes to allow more flexibility in how loan fees are utilized.
4. Update the State Environmental Review Process (SERP) and state Water Quality SRF Handbook for placement on Department web site. Pursue Rule changes to incorporate revised EPA National Environmental Protection Act (NEPA) regulations and to incorporate a Tier II approach.
5. Ensure project files include clear documentation to support: compliance with Executive Order 12898 on Environmental Justice; inclusion of financial assessments; environmental assessments; and, changes to amortization schedules.
6. Monitor matching contributions for EPA Special Appropriation Grants to ensure they are not drawn from initial capitalization funds.
7. Update the Operating Agreement with the Environmental Protection Agency.

#### IV. **Information on the Activities to be Supported**

##### A. Allocation of Funds

The primary type of assistance to be provided by the Water Quality SRF is expected to be low interest loans for up to 100 percent of project costs. The rate of interest in the State fiscal year 2009 will be 3.25 percent for loans awarded directly by DEQ. Loans to the Idaho Soil Conservation Commission will be at 2.00 percent. All loans will be paid back over a period not to exceed twenty (20) years. Principal and interest repayments must begin no later than one year after the initiation of operation date.

##### B. Administrative Costs of the Water Quality SRF

DEQ plans to reserve not more than four (4) percent of the capitalization grant for administrative expenses.

##### C. Loan Eligible Activities

CWSRF loans will provide for planning, design and construction of secondary, advanced secondary, interceptors and appurtenances for infiltration/inflow correction, collector sewers and rehabilitation. Water Quality SRF loan assistance will be provided to local communities, counties, sewer districts, and non-profit sewer associations for the construction of publicly owned wastewater treatment facilities. Loans may also be provided to sponsors of non-point source projects to implement water pollution control projects. Such projects must be consistent with the State Water Quality Management Plan and demonstrate a nexus or benefit to a municipality.

V. **Assurances and Specific Proposals**

A. **Environmental Reviews - 602(a)**

DEQ certifies that it will conduct environmental reviews of each wastewater treatment project receiving assistance from the Water Quality SRF. DEQ will follow EPA approved NEPA-like procedures in conjunction with environmental reviews.

These procedures are outlined in Section 58.01.12.042 of the state Rules for Administration of Water Pollution Control Loans. More detailed procedures are embodied in the Wastewater Facilities Loan Account Handbook of Procedures (Chapter 5).

B. **Binding Commitments - 602(b)(3)**

DEQ will enter into binding commitments for 120 percent of each quarterly payment within one (1) year of receipt of that payment. Binding commitment dates are listed in Section VI of this plan.

C. **Expeditious and Timely Expenditures - 602(b)(4)**

DEQ will endeavor to expend all funds in the Water Quality SRF in a timely and expeditious manner.

D. **First Use Enforceable Requirements - 602(b)(5)**

DEQ certifies that all major and minor Waste Water Treatment Facilities that the state has previously identified as part of the National Municipal Policy Universe are:

- (a) in compliance, or
- (b) on an enforceable schedule, or
- (c) have an enforcement action filed, or
- (d) have a funding commitment during or prior to the first year covered by an IUP.

E. **Compliance with Title II Requirements - 602(b)(6)**

DEQ has met the specific statutory requirements for publicly-owned wastewater treatment projects constructed in whole or in part before the State fiscal year 1995 with funds directly made available by federal capitalization grants. Therefore, DEQ no longer plans to use its federal capitalization grant and state match on "equivalency projects." These projects meet the sixteen (16) specific statutory requirements provided by Section 602(b)(6) of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4 and are eligible under 201(b), 201(g)(1) and (2), 201(N) and 211.

However, DEQ agrees to comply with and to require recipients of loans from Idaho's Water Pollution Control Loan Account to comply with applicable federal cross-cutting requirements. DEQ will notify EPA when consultation or coordination by EPA is necessary to resolve issues regarding these requirements.

F. **State Matching Funds - 602(b)(2)**

DEQ agrees to deposit into the Water Quality SRF from state monies an amount equal to twenty (20) percent of the capitalization grant on or before the date on which the state receives each cash draw from EPA. These funds will be transferred from Idaho's Water Pollution Control Account.

G. State Laws and Procedures - 602(b)(7)

DEQ agrees to expend each quarterly grant payment in accordance with state laws and procedures.

H. Consistency with Planning

DEQ agrees that it will not provide assistance to any wastewater treatment project unless that project is consistent with plans developed under Section 205(j), 208, 303(e), 319, or 320.

I. Reporting

DEQ agrees to provide data or information to EPA as may be required for national reports, public inquiries, or Congressional inquiries. Capitalization grant funded recipients will be monitored for Single Audit Act compliance.

DEQ will comply with reporting requirements of the EPA Order on Environmental Benefits. This will include completion of the electronic "one-pager" for all funded projects. A hard copy of each "one-pager" will be provided to EPA with the Annual Report.

VI. **Criteria and Method for Distribution Of Funds**

The following principles and procedures will be the basis for the administration, funding, allocation and distribution of the Water Quality SRF monies. They are designed to provide maximum flexibility for assistance and assure long-term viability of the revolving program.

A. Program Administration

Four (4) percent of the capitalization grant provided by EPA will be set aside to be used for program administration. Program administration costs will be met by capitalization grant allocations. Program administration costs, to the extent that the annual capitalization grant is insufficient to meet our needs, will be supplemented by Clean Water SRF loan fee revenues.

B. Water Quality SRF Priority List

Letters of Interest were sent to all cities, counties and water and sewer districts in the state. Returned Letters of Interest and Priority List rating forms were sent to Project Engineers in DEQ regional offices to complete a rating of projects in each region. The result of the rating and ranking was the preliminary Priority List that was presented during the public review and comment period. Separate Letters of Interest were sent to potential non-point source applicants. Projects are rated using the following criteria:

1.	Public health emergency certified by the DEQ Board or a Health District Board	150
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		Points
2.	Regulatory Compliance Status	70 to 100 Points
3.	Watershed Restoration	0 to 100 Points
4.	Watershed Protection	0 to 100 Points
5.	Preventing Impacts to Uses	0 to 100 Points
6.	Secondary Incentive Ranking Points	0 to 50 Points

Attachment III contains the guidance document which fully explains how DEQ staff applied the above criteria when rating individual projects.

C. Fundable Projects

The highest rated projects on the adopted Priority List **that are ready to proceed** are selected for funding and are listed on the IUP. These fundable projects are listed on Attachment I. DEQ staff starts at the top of the Priority List and continue as far down the list as needed to select enough projects that are ready to proceed to use all of the funds that are available. In cases where a lower ranked project is selected it is because higher ranked projects have not indicated a readiness to proceed.

In some cases the project amount on Attachment I may be less than the project amount on the Priority List. The Priority List amount is the estimate of the total project cost, while the costs on Attachment I are the amount that project applicants expect to borrow from the Water Quality SRF. In each case the difference will be provided from some other source such as cash on hand or a grant from the Community Development Block Grant program administered by the Idaho Department of Commerce and Labor.

D. Disbursements

The estimated timing and amount of disbursements for the projects on the new IUP are added to the latest cash disbursement request projections for prior year funded and projected projects. The projections are normally provided to EPA in July each year. The projections are based upon estimated disbursement schedules submitted by loan recipients and projected timing of loan agreements, adjusted for corrections by regional project engineers and state office staff. These disbursements are tracked on an on-going basis to project needed cash from all capitalization grants and state match. All funds will be expended in an expeditious and timely manner.

E. Federal Payments

Idaho's proposed payment schedule for each capitalization grant is based upon the projected timing of signed loan agreements with projects listed on the current and prior IUPs. This allows for adjustment of prior IUP projects to be reflected in the federal payment schedule.



F. State Match

Idaho's match for all capitalization grants is provided from funds that are drawn from the state Water Pollution Control Account. The Water Pollution Control Account derives its funding from a set amount of \$4.8 million from the state sales tax and is perpetually appropriated to DEQ under Idaho Code Title 63, Chapter 36.

VII. **Additional Information Requirements**

A. Public Review and Comment

Projects on the State fiscal year 2009 Water Quality SRF List of Fundable Projects and Project Priority List were approved by the DEQ Board at the April 24, 2008 meeting. Copies of the draft list were made available in the regional and state offices, allowing approximately four weeks for public comment. Also, notices of the Priority List review process were printed in major Idaho newspapers and notice was given to a large list of private interested parties such as consulting engineers, local governments and local government advocacy groups, allowing at least four weeks for public comment.

In addition to the above, the draft IUP including the Fundable List and Project Priority List was posted on the DEQ website during the comment period.

B. Bypass Procedures

A project that does not or will not meet the project target date or a DEQ schedule that allows for timely utilization of loan funds may be bypassed, substituting in its place the next highest ranking project(s) that is ready to proceed (Rules IDAPA 58.01.12.020.04.c). DEQ intends to utilize Priority List ranking as much as possible when preparing the IUP. However, the lack of adequate funding, changes in project scopes, failure to pass a bond election, or other unforeseen circumstances may require that a project on the IUP be removed. If a project is removed, DEQ will offer loan funds to the highest ranked, ready-to-proceed project from the most current approved Priority List.

State of Idaho, State Fiscal Year 2009 Water Quality State Revolving Loan Fund  
Fundable Projects and Priority List

LIST OF FUNDABLE WATER QUALITY LOAN PROJECTS

Project	Rank	Loan Amount	Project Description	Estimated Commitment Date	County and DEQ Regional Office
City of Ruebens	1	\$600,000	New collection and treatment system	October 2008	Lewis County and Lewiston Regional Office
Fish Haven Area Recreational Sewer District	3	\$600,000	Design and construct pump station, disinfection system, transmission pipeline and land application	November 2008	Bear Lake County and Pocatello Regional Office
Chubbuck/North Bannock - Phase I	4	\$10,600,000	Implementation of Phase I of the Chubbuck/North Bannock Regional Wastewater Collection System	September 2008	Bannock County and Pocatello Regional Office
City of Wendell	5	\$8,100,000	Upgrade of reuse site, lagoon and land application facilities and construction of mechanical plant	July 2008	Gooding County and Twin Falls Regional Office
City of Franklin	* 6	\$600,000	System improvements to meet TMDL	August 2008	Franklin County and Pocatello Regional Office
Lava Hot Springs Wastewater System Upgrade	7	\$8,050,000	Trunk line, upgrade headworks & lagoon system, obtain land application site & equipment, line lagoons, construct pump station & irrigation	February 2009	Bannock County and Pocatello Regional Office
Southside Water and Sewer District	* 11	\$3,900,000	Increase treatment capacity	March 2009	Bonner County and Coeur d'Alene Regional Office
City of Filer	* 13	\$8,009,297	Rehabilitation/replacement of collection system, replace lagoons with membrane bioreactor treatment and implement reuse practices	July 2008	Twin Falls County and Twin Falls Regional Office

\$40,459,297

\*Note: Projects with an asterisk in the "Rank" column are carried over from fiscal year's 2008 list. These communities had began the loan process during fiscal year 2008; however, the loan process was not completed during the same fiscal year and so the projects were carried forward. The number following the asterisk is the entity's ranking on the FY 2009 Priority List.

This list contains projects that are the highest rated that are ready to proceed. Projects on this fundable list may be bypassed if they do not complete a timely loan application.

### FY2009 Water Quality Loan Priority List

Rank	Project	Rating Points	Reg. Office	DEQ Est Loan Amount	Project Description
1	City of Ruebens	150	LRO	\$600,000	New collection and treatment system
2	City of Greenleaf	139	BRO	\$8,000,000	New collection and treatment system
3	Fish Haven Area Recreational Sewer District	137	PRO	\$600,000	Design and construct pump station, disinfection system, transmission pipeline and land application equipment
4	Chubbuck/North Bannock - Phase I	137	PRO	\$10,600,000	Implementation of Phase I of the Chubbuck/North Bannock Regional Wastewater Collection System
5	City of Wendell	137	TFRO	\$8,100,000	Upgrade of lagoon and land application facilities, construction of mechanical plant and expanded water reuse site
* 6	City of Franklin	135	PRO	\$600,000	System improvements to meet TMDL
7	Lava Hot Springs Wastewater System Upgrade	130	PRO	\$8,050,000	Design and construct new trunk line, upgrade headworks and lagoon aeration system, purchase land application site and equipment, line lagoons, and construct pump station and irrigation system
8	City of Bliss	127	TFRO	\$4,212,000	New collection system, lift station and treatment lagoons
9	City of Hazelton	124	TFRO	\$543,000	Replace/repair collection lines, lift stations, headworks and mechanical aerators
10	City of Murtaugh	124	TFRO	\$2,600,000	New storage lagoon, headworks improvements, addition of aeration, disinfection systems and a slow rate land application site
* 11	Southside Water and Sewer District	123	CRO	\$3,900,000	Increase treatment capacity

**ATTACHMENT II**

12	City of Coeur d'Alene	123	CRO	\$86,345,000	Upgrade treatment to meet permit limits for phosphorus and ammonia
* 13	City of Filer	123	TFRO	\$12,500,000	Rehabilitation/replacement of collection system, replace lagoons with membrane bioreactor treatment and implement reuse practices
14	City of Plummer	120	CRO	\$13,341,600	Upgrade/enlarge treatment and address compliance issues
15	Southlake Recreational Sewer & Water District Phase I	106	BRO	\$8,000,000	Mechanical treatment and collection system upgrades
16	City of Nezperce	92	LRO	\$1,300,000	Address compliance issues
17	Callaway Ranch	80	BRO	\$400,000	Pressure sewer line to connect to Eagle Sewer District
18	City of McCall	72	BRO	\$2,040,000	Lift station replacements
19	City of Nampa	69	BRO	\$5,700,000	Secondary effluent pumping and phosphorous removal facilities
20	City of Nampa	69	BRO	\$3,500,000	Construct primary digester
21	Star Sewer and Water District	69	BRO	\$2,830,000	Solids handling, disinfection, lift station and force main improvements
22	City of Riggins	69	LRO	\$2,040,500	Add a solid dewatering system, new headworks and an aeration system
21	City of New Meadows	67	BRO	\$390,000	Wastewater treatment system upgrades
22	City of Weiser	62	BRO	\$500,000	Permit issues, treatment system, sludge disposal, dissolved oxygen monitoring, screening and grit removal

WARNING: USE OF THIS LIST AS A MAILING LIST OR AS A TELEPHONE NUMBER LIST  
 IS PROHIBITED BY IDAHO CODE SECTION 9-348  
 AND IS PUNISHABLE BY A CIVIL PENALTY OF UP TO \$1,000.

# Guidance for Integrated Priority System: Water Quality Project Ranking DEQ Water Pollution Control Loan Program

## PROJECT

NAME \_\_\_\_\_

PROJECT ADDRESS (*Street or P.O. Box*) \_\_\_\_\_

City \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

Contact Person \_\_\_\_\_

Date of Rating \_\_\_\_\_ Project Rater \_\_\_\_\_ Regional Office \_\_\_\_\_

Priority  
Year

Final  
Score

Estimated Total Project Cost \$ \_\_\_\_\_

Total Cost to be funded by DEQ (if different from total project cost) \$ \_\_\_\_\_

## PROJECT INFORMATION

Write a brief description of the project. Site specific information should be provided from the project contact and/or local DEQ staff. Some project specificity is needed to justify point factoring for which DEQ Board approval is requested.

Project Description:

**NOTE:** If the project has a NPDES permit or a Reuse (WLAP) permit, the permit number must be provided and if possible the primary permit limits for BOD and SS permit limits (NPDES permit).

Permit # \_\_\_\_\_ BOD \_\_\_\_\_ SS \_\_\_\_\_

## SECTION I. INTEGRATED PRIORITY SYSTEM

An integrated priority system will be used by the Department of Environmental Quality (DEQ) to annually allot available funds in accordance with the **Rules for Administration of Water Pollution Control Loans (58.01.12)**. Each water quality project will be ranked using the integrated priority system in accordance with this guidance.

**Section I** includes five major rating categories, **A, B, C, D and E**. Answer “**Yes**” to one rating category that best fits the project, then answer the questions related to that rating category in the appropriate subsection (**A, B, C, D or E**) in **Section II**. If the subject project does not fit any of the rating categories (i.e., you answer “**NO**” to all five questions) then the project is not eligible for further funding considerations by the DEQ Loan Program.

- A) **Public Health Emergency or Public Health Hazard:** Will the proposed project eliminate an officially declared or designated water-borne public health hazard or public health emergency?  
\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 2
- B) **Regulatory Compliance Status:** Will the proposed project minimize or resolve an existing legal action between the facility and either a state or federal agency?  
\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 2
- C) **Watershed Restoration:** Will the proposed project address watershed restoration as identified in the Unified Watershed Assessment and Restoration Priorities for Idaho (UWA)? The UWA is in Appendix A-7 of the Idaho Nonpoint Source Management Plan which can be found on DEQ’s web site under **Publications**. Watershed Restoration projects are those that implement TMDLs to help restore watersheds.  
\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 3
- D) **Watershed Protection from Impacts:** Will the proposed project address watershed protection as identified in the *Idaho Water Quality Standards* or the *Idaho Ground Water Quality Rule*? Go to [http://www.deq.idaho.gov/rules/admin\\_rules.cfm#links](http://www.deq.idaho.gov/rules/admin_rules.cfm#links) on the DEQ web site under Rules and Policies to view the rules. For point sources, these are primarily treatment and collection projects that are **NOT** directly driven by implementation of a TMDL.  
\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 5
- E) **Preventing Impacts to Uses:** Will the proposed project address prevention of watershed degradation? This rating subsection is reserved primarily for rating non-point source projects.  
\_\_\_\_ Yes \_\_\_\_ No      If YES, go to page 6

If you have answered **Yes** to one category in this section (Section I), please advance to Sections II and III and answer questions in the appropriate subsections.

## SECTION II. WATER QUALITY PROJECT RANKING

Only statewide initiatives or regional on-the-ground implementation project proposals that have answered “**Yes**” to a subsection in **Section I** may be ranked under **Section II**.

**A. Public Health Emergency or Public Health Hazard (Bypass Section III)**

**NOTE:** An emergency is an officially declared or designated public health hazard or emergency that is a documented health threat as certified by a Health District Board or the DEQ Board.

Emergency or Hazard*	<u>150</u>
No Emergency or Hazard	<u>0</u>

**Section II, Item A Points**

(0 or 150 pts)

**B. Regulatory Compliance Status (Bypass remainder of Section II and proceed to Section III)**

For purposes of qualifying for points in this subsection (Regulatory Compliance Status), the cause of noncompliance and resulting legal actions should be restricted to infrastructure deficiencies at a permitted point source facility. The purpose of this subsection is not to assign points for noncompliance resulting **purely** from system mismanagement or O&M deficiencies.

A permitted point source facility is required to comply with the EPA NPDES discharge permit and/or state water reuse permit. A facility is considered to be out of compliance if the facility is not meeting limits or conditions in the permit and legal action for noncompliance has been set in place. The severity of legal actions vary depending on the impact or potential impact to water quality, the watershed or public health and how long attempts to resolve the problem(s) have been ongoing. Legal actions may include but are not limited to: a consent order, a notice of violation, an administrative order, a permit compliance schedule or assessment of monetary penalties:

**(Choose one)**

- **Low Level Noncompliance** – includes documented permit violations, DMRs, land application inspections or equivalent \_\_\_\_\_ 70 Pts
- **Moderate Level Noncompliance** – includes a 1<sup>st</sup> State or EPA Warning Letter, a notice of violation, or equivalent \_\_\_\_\_ 80 Pts
- **High Level Noncompliance** – includes 2<sup>nd</sup> State or EPA Warning Letter, consent order, permit compliance schedule, or equivalent \_\_\_\_\_ 90Pts
- **Noncompliance Consequences Imposed** - Penalties assessed (e.g. monetary fines) \_\_\_\_\_ 100Pts

**Section II, Item B. Points \_\_\_\_\_ (0 to 100 pts)**

**C. Watershed Restoration**

The project implements best management practices or initiates construction of wastewater collection and treatment facilities as part of an approved TMDL, protects threatened waters identified through the Idaho's Nonpoint Source Management Program plan, or is part of a special

water quality effort (e.g., Governors Bull Trout Conservation Plan). **Score the subject project under numbers 1 and 2 of this section (Watershed Restoration).**

1. **Status** - Points can be assigned based upon the priority of the listed 303(d) water as indicated on the 8-year TMDL schedule, implications to threatened or endangered species, impacts to a sole source aquifer, impacts to an outstanding resource water or impacts to sensitive or special resource ground water, or compliance with an NPDES or Wastewater Land Application permit. **Select one subpart (a, b, or c) and complete a rating for the subject project.**

**a. No Status**

Is not included on a current 303(d) list, is not on a TMDL schedule, is not out of compliance with a NPDES permit or water reuse permit, is not part of a known special surface or groundwater category or listing, or does not affect listed threatened or endangered species. \_\_\_\_\_ 0 pts

**b. Medium Status**

Project is Located on a medium priority 303(d) water body on the 8-year TMDL Schedule (2005 and 2006 on the 8-year schedule). \_\_\_\_\_ 12pts

- Status of the TMDL in project subbasin: (**Choose all that apply**)
  - TMDL completed but not approved No 0 pts / Yes 5 pts \_\_\_\_\_
  - TMDL approved by EPA No 0 pts / Yes 5 pts \_\_\_\_\_
  - TMDL approved by DEQ No 0 pts / Yes 5 pts \_\_\_\_\_
- Expected benefits to a sole-source aquifer and other ground water resources: (**Choose one**)
 

Low	_____	1
Medium	_____	3
High	_____	5
- Expected reduction in impacts to threatened and endangered species: (**Choose one**)
 

Low	_____	1
Medium	_____	3
High	_____	5
- Current level of compliance with NPDES and water reuse permits: (**Choose one**)
 

Low	_____	5
Medium	_____	3
High	_____	1

**Subtotal \_\_\_\_\_ (0 to 42 pts)**

**c. High Status**

Project is located on a high priority 303(d) water body according to the 8-year TMDL schedule (2004 and earlier on the 8-year schedule) \_\_\_\_\_ 20 pts

- Status of the TMDL in project subbasin: (**Choose all that apply**)
  - TMDL completed but not approved No 0 pts / Yes 5 pts \_\_\_\_\_



- TMDL approved by EPA No 0 pts / Yes 5 pts \_\_\_\_\_
  - TMDL Implementation Plan approved by DEQ No 0 pts / Yes 5 pts \_\_\_\_\_
  - Impacts to a sole-source aquifer and other ground water resources:  
(Choose one)
    - Low \_\_\_\_\_ 1
    - Medium \_\_\_\_\_ 3
    - High \_\_\_\_\_ 5
  - Expected benefits reduction in impacts to threatened and endangered Species:  
(Choose one)
    - Low \_\_\_\_\_ 1
    - Medium \_\_\_\_\_ 3
    - High \_\_\_\_\_ 5
  - Level of compliance with NPDES and water reuse permits: (Choose one)
    - Low \_\_\_\_\_ 5
    - Medium \_\_\_\_\_ 3
    - High \_\_\_\_\_ 1
- Subtotal** \_\_\_\_\_  
(0 to 50 Pts)

2. Potential for Restoration Points - Points are awarded according to the expected effectiveness of the project and the transferability of the demonstrated technologies to other parts of the State of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of nonpoint source impacts, or will promote statewide nonpoint pollution reduction or remediation.  
**Select one subpart below:**
- a. No load reduction or effectiveness calculations provided \_\_\_\_\_ 0 Pts
  - b. Improvements are minor (ex. <25% estimated reduction in pollutant load) or statewide project will require substantial capital/manpower commitment: \_\_\_\_\_ 15 Pts
  - c. Designated or existing beneficial uses of surface or ground water are partially restored and the impacts are reduced (ex. >25% reduction but <75% reduction in pollutant load) or statewide project will require moderate capital/ manpower commitment: \_\_\_\_\_ 30 Pts
  - d. Designated or existing beneficial uses of surface or ground water are partially restored or the impacts are reduced (ex. >75% reduction but <100% reduction in pollutant load) or statewide project will require minimal capital/manpower commitment: \_\_\_\_\_ 50 Pts

**Section II. Item C. Points** \_\_\_\_\_  
(0 to 100 pts)

## D. Watershed Protection from Impacts

**Score the subject project under number 1, 2, and 3 of Watershed Protection from Impacts.**

1. Points will be assigned based upon impacts to the watershed, water quality or public health such as the number of stream miles impacted; the number of lake/reservoir surface acres impacted; the extent of groundwater impacts to beneficial uses; or ability of a statewide project to promote point or nonpoint source pollution reduction or mitigation. Proposed project applicants must include a map showing the impact area of the proposed water quality projects to receive more than the minimal score. **(Select one Subpart (a, b, or c) and complete the rating for the subject project.)**

a. **Low Impact** (Select one)

- i. Point Source contributes little evident impact to watershed and is in substantial compliance with NPDES permit and/or water reuse permit. \_\_\_\_\_ 5 Pts
- ii. Nonpoint Source contribution or statewide NPS project initiatives (i.e., < 5 miles or 200 acres effected or minor impacts to ground water) \_\_\_\_\_ 5 Pts

b. **Moderate Impact**

- i. Point Source contributes moderate evident impact to watershed and is in substantial compliance with NPDES permit and/or water reuse permit. \_\_\_\_\_ 15 Pts
- ii. Nonpoint Source contribution or statewide NPS project initiatives (i.e., < 5 miles or 200 acres effected or minor impacts to ground water) \_\_\_\_\_ 15 Pts

c. **High Impact**

- i. Point Source contributes severe impacts to watershed and is in substantial compliance with NPDES permit and/or water reuse permit \_\_\_\_\_ 35 Pts
- ii. Nonpoint Source contribution or statewide NPS project initiatives (i.e., < 5 miles or 200 acres effected or minor impacts to ground water) have severe impacts. \_\_\_\_\_ 35 Pts

2. **Potential for Restoration Points** - Points are awarded according to the expected effectiveness of the project and the transferability of the demonstrated technologies to other parts of the State of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of point or nonpoint source impacts, or the project will promote statewide nonpoint pollution reduction or remediation. **(Select one subpart below)**

- a. No load reduction or effectiveness calculations provided. \_\_\_\_\_ 0 Pts
- b. Improvements are minor (ex. <25% estimated reduction in pollutant load) or statewide project will require substantial capital/manpower commitment. \_\_\_\_\_ 5 Pts
- c. Designated or existing beneficial uses of surface or ground water are partially restored and the documented impacts are reduced (ex. >25% reduction but <75% reduction in pollutant load) or statewide project will require moderate capital/manpower commitment. \_\_\_\_\_ 15 Pts
- d. Designated or existing beneficial uses of surface or ground water are partially restored and the documented impacts are reduced (ex. >75% reduction but

<100% reduction in pollutant load) or statewide project will require minimal capital/manpower commitment.

\_\_\_\_\_ 35 Pts

3. Nexus/benefit to municipality - Points are awarded based on the direct benefit to a municipality for implementing or financing a portion of the proposed project. A municipality-driven project reflects a commitment from the community and is awarded the maximum 30 points.

Community/Agency Support: (Choose one)

- a. No support letters \_\_\_\_\_ 0 Pts  
b. One or two support letters \_\_\_\_\_ 10 Pts  
c. Three or more support letters OR municipal-driven project \_\_\_\_\_ 30 Pts

**Section II. Item D. Points \_\_\_\_\_ (0 to 100 pts)**

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**E. Preventing Impacts to Uses**

**Score project under numbers 1, 2, and 3 of this section (Preventing Impacts and Uses).**

1. Points will be assigned based upon the documented number of designated beneficial uses impacted by nonpoint source pollutants. (**Select a subpart (a, b, c, or d) and complete a rating for the subject project.**)

Number of Use Impacts:

- a. No impacts \_\_\_\_\_ 0 Pts  
b. One or two uses impacted \_\_\_\_\_ 10 Pts  
c. Three or four uses impacted \_\_\_\_\_ 25 Pts  
d. Four or more uses impacted \_\_\_\_\_ 40 Pts

2. Nexus/benefit to municipality - Points are awarded based on the commitment of a municipality for implementing or financing a portion of the proposed project.

Community/Agency Support: (Select one subpart below.)

- a. No support letters. \_\_\_\_\_ 0 Pts  
b. One or two support letters. \_\_\_\_\_ 20 Pts  
c. Three or more support letters. \_\_\_\_\_ 40 Pts

3. State and National Priorities - Points will be assigned based upon recognition of the special status of waters or uses of those waters.

**Instruction: answer statements below: a, b, both a and b, or c if not applicable:**

- a. State Priorities - The project impacts either: a State Park or State Recreational Area, a blue ribbon fishery, water classified as a special or outstanding resource water, or designated as part of a sole source aquifer, an area of high ground water vulnerability, or the project enhances the State's nonpoint source management program. \_\_\_\_\_ 10 Pts  
b. National Priorities - A nonpoint source or statewide initiative project is intended to positively impact either: a threatened or endangered species, a wilderness area, a wild and scenic river or a sole source aquifer. \_\_\_\_\_ 10 Pts  
c. Not applicable \_\_\_\_\_ 0 Pts

Section II. Item E. Points \_\_\_\_\_ (0 to 100 pts)

## SECTION II. -- WATER QUALITY PROJECT RANKING

SUBTOTAL POINTS for SECTION II = \_\_\_\_\_ (0 to 150 pts)

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## SECTION III. SECONDARY INCENTIVE PROJECT RANKING

All projects are ranked under Section III criteria with the exception of A Public Health Emergency or Public Health Hazard. Section III criteria are established to further rate Water Quality Project Rankings from **Section II** of this Guidance form.

Answer the following set of questions specifically as they relate to the project. Each answer that receives points should be subtotaled and added to the score from **Section II** for the "Grand Total Points." **Answer one subpart per question and calculate the cumulative in the Subtotal.**

1. Is project ready to proceed? The level of readiness will be based on the following milestones:  
**(Choose one)**

No Facility Plan	_____ 0 pts
Consultant hired for Facility Plan preparation	_____ 3 pts
Draft Facility Plan	_____ 5 pts
Approved Facility Plan and Environmental Review completed	_____ 7 pts
10% or more (Preliminary) Design Completed	_____ 9 pts
  
2. Resulting monthly user service (charges) rates as an outcome of the project, for example hardship, etc. [NOTE: The service charge is based on the most recent census MHI of \$37,572 and taking 1.5% of MHI as the norm for a utility bill per the Environmental Finance Center.] **(Choose one)**

Up to \$47	_____ 3 pts
\$47 to \$63	_____ 6 pts
> \$63	_____ 9 pts
  
3. Is financial documentation in place to ensure payback assurance? **(Choose one)**

No Plan	_____ 0 pts
Bond council or financial consultant retained	_____ 5 pts
Legal instrument(s) in place (e.g., bond election, bylaws, etc.)	_____ 9 pts
  
4. Project will correct a water quality impact being created by current point or nonpoint wastewater disposal practices? One example could be the implementation of reuse practices. **(Choose one)**  
\_\_\_\_\_ 3, 6 or 9 pts
  
5. Project will correct an existing or potential health hazard (not emergency) being created by current point or nonpoint wastewater disposal practices? **(Choose one)**  
\_\_\_\_\_ 7, 11 or 14 pts

**Section III Point Total \_\_\_\_\_ (0 to 50 Pts)**

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**GRAND TOTAL POINTS FOR SECTIONS II and III \_\_\_\_\_ (0 to 150 Pts)**

## ATTACHMENT IV

### **EPA PAYMENT SCHEDULE**

FFY2008 IUP

<u>Quarter Ending</u>	<u>Payments</u>	<u>Total</u>
9/2008	\$ 130,972	\$ 130,972
12/2008	\$3,143,328	\$3,274,300

Payments are defined as increases to the amount of funds available from the Automated Clearinghouse (ACH).

## **ATTACHMENT V**

### **PUBLIC NOTIFICATION AND INVOLVEMENT STRATEGY FOR STATE FISCAL YEAR 2009 WATER QUALITY AND DRINKING WATER PRIORITY LISTS**

The public was involved in the FY2009 Priority List development at several points in the process. Involvement for the drinking water and water pollution control lists were solicited directly from the systems through a survey of system interest which was mailed out by the DEQ early in the Priority List process. Information on the completed letter of interest forms was used by the State and Regional office staff in preparing draft lists. A copy of the letter of interest form, and the cover letter that was sent with it, are included as attachments here. We are finding that combining information obtained directly from eligible entities with that provided by our engineering staff results in the most accurate listing of infrastructure needs.

Notification that all four State fiscal year 2009 Priority Lists were available for public review was given in Idaho's six major (regional) newspapers for approximately four weeks. Notices were published three times in each of the newspapers. Copies of proofs of publication are included as attachments here.

Notification of availability of the lists was also placed on DEQ's web site from March 7 – April 7 and a copy of the web site cover page is included here.

Approval packages related to the four lists were sent to the Board of Environmental Quality prior to their meeting on April 24, 2008. Copies of the Issue Analyses for the CWSRF loan lists and the Board agenda are included as attachments here. DEQ staff made presentations at the Board meeting on April 24, 2008 and answered questions about the lists. The Board approved all lists on April 24, 2008.